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Message Text

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ACTION EA-12

INFO OCT-01 IO-14 ISO-00 STRE-00 AID-05 CIAE-00
COME-00 EB-08 FRB-01 INR-07 NSAE-00 USIA-15
TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01
NSC-05 SS-15 STR-05 CEA-01 L-03 H-02 PA-02 PRS-01
AGRE-00 /115 W
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P R 130904Z DEC 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 3527
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UNCLAS TOKYO 19130

USMTN

DEPARTMENT PASS STR ELECTRONICALLY

E.O. 11652: N/A
TAGS: ETRD, MTN, JA
SUBJECT: PRESS REPORTS ON JAPANESE ECONOMIC PACKAGE TO BE PRESENTED TO USG

REF: A) TOKYO 18987, B) TOKYO 19069

1. SUMMARY: MORNING EDITIONS OF DEC. 13 PRESS MOSTLY LIMITED THEIR COVERAGE OF USHIBA MISSION TO EARLIER ARTICLES AND INTERVIEWS PLACED IN CONTEXT OF CONFLICTING U.S. AND JAPANESE POSITIONS ON TRADE ISSUES. LATER EDITIONS CARRIED FIRST NEWS OF USHIBA'S MEETING WITH VICE PRES. MONDALE AND STR STRAUSS. PAPERS NOTED STRAUSS'S STRONG DISSATISFACTION WITH USHIBA'S PACKAGE, AS WELL AS USHIBA'S SUBSEQUENT COMMENTS ON DOUBTFUL CHANCES FOR SUBSTANTIAL SETTLEMENT ON TRADE ISSUES WITHIN THIS YEAR. COVERAGE WAS ALSO GIVEN TO FOREIGN MINISTER SONODA'S ANNOUNCEMENT OF PLANS FOR AN USHIBA MISSION TO EC AND POSSIBLE RETURN TO U.S. LATER THIS MONTH. END SUMMARY.
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2. COVERAGE OF USHIBA MISSION IN MORNING EDITIONS DEF. 13 WAS MOSTLY REHASH OF EARLIER ARTICLES AND INTERVIEWS CONDUCTED BEFORE USHIBA WENT TO WASHINGTON. MOST ARTICLES HAVE BEEN PLACED IN THE CONTEXT OF INEVITABLE CONFRONTATION BETWEEN WHAT IS DESCRIBED AS AMEICAN STAND,

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THAT JAPAN SHOULD ELIMINATE ITS CURRENT ACCOUNT SURPLUS, AND LIBERALIZE TRADE, AND JAPANESE POSITION, THAT DOMESTIC ECONOMIC CONDITIONS ARE TOO DEPRESSED TO PERMIT JAPAN TO COMPLY WITH U.S. REQUESTS.

3. SEVERAL OTHER ARTICLES HAVE TIED ANNOUNCEMENT BY COUNCIL OF MINISTERS FOR ECONOMIC MEASURES THAT JAPAN'S ECONOMY WILL EXPAND ONLY AN ESTIMATED 5.3 PERCENT IN JFY 1977 TO USHIBA VISIT. THEY ARGUE VARIOUS PROJECTIONS ANNOUNCED BY GOJ MAKE USHIBA'S TASK MORE DIFFICULT BECAUSE LACK OF CONSENSUS ON ECONOMIC GROWTH RATES INDICATES THAT JAPAN HAS NO CONCRETE POLICY TO REDUCE TRADE AND CURRENT-ACCOUNT SURPLUSES.

4. AFTERNOON PRESS EDITIONS HAVE GIVEN FRONT-PAGE COVERAGE TO INITIAL REPORTS OF USHIBA'S MEETINGS WITH VICE PRSIDENT MONDALE AND STR STRAUSS. ARTICLES UNDDERLINED STRAUSS'S STRONG EXPRESSION OF DISSATISFACTION WITH USHIBA'S 8-POINT PACKAGE, AND COMMENTED THAT THERE IS NOW STRONG POSSIBILITY THAT STRAUSS WILL NOT COME TO JAPAN UNLESS GOJ CAN COME UP WITH MORE SPECIFIC, QUICKLY ATTAINABLE PROPOSALS. REPORTS OF USHIBA'S PRESS CONFERENCE AFTER STRAUSS MEETING QUOTE MINISTER AS SAYING THAT SETTLEMENT OF U.S.-JAPAN TRADE PROBLEMS
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WITHIN THIS YEAR "HAS BECOME DIFFICULT TO ACHIEVE." ACCORDING TO USHIBA, FACT THAT GOJ'S ECONOMIC FORECAST WILL NOT BE AVAILABLE UNTIL DEC. 21 MAKES IT UNLIKELY THAT FIRM AGREEMENTS CAN BE REACHED PRIOR TO CONGRESS'S CHRISTMAS BREAK. USHIBA SAID THAT HE STILL HOPES FOR "SUBSTANTIAL SETTLEMENT ON TRADE PROBLEMS BEFORE CONGRESS RETURNS IN MID-JANUARY, AND FOREIGN MINISTER SONODA HAS ANNOUNCED THAT IF STRAUSS CANNOT COME TO JAPAN, USHIBA MAY MAKE ANOTHER TRIP TO U.S.

5. DURING AN EARLIER PRESS CONFERENCE, SONODA ANNOUNCED THAT USHIBA WILL ALSO HEAD TRADE DELEGATION TO EC FOR NEGOTIATIONS SIMILAR TO THOSE HE IS NOW CONDUCTING IN U.S. COMMENTS INDICATE GOJ WILLINGNESS TO TAKE SUCH MEASURES AS INCREASING IMPORTS OF EC AGRICULTURAL PRODUCTS TO REDUCE TRADE SURPLUSES WITH EC.

6. MORNING AND EVENING EDITIONS ALSO REPORT THAT LDP WILL SEND LOWER HOUSE MEMBER EICHI NAKAO AS PARTY'S SPECIAL REPRESENTATIVE TO U.S. DEC. 15.

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NAKAO, WHO WAS REPORTED AS HAVING MANY FRIENDS IN CONGRESS, SAID THAT HE HOPED TO MEET WITH STRAUSS, SEC. TREAS. BLUMENTHAL, SEC. AGR. BERGLAND, AND WITH SENATORS TALMADGE, BAKER, HELMUTH AND WITH REPRESENTATIVE FOLEY TO DISCUSS CURRENT TRADE PROBLEMS.

7. COMMENT: BY HEADLINING STRAUSS REACTION OF "INSUFFICIENT," PRESS NOW SEEMS TO BE CONFIRMING THE INDICATIONS IT WAS GIVING DURING PAST WEEK TO EFFECT THAT SOLUTION OF TRADE PROBLEM WOULD NOT BE POSSIBLE DURING USHIBA'S VISIT.
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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Case Number: n/a
Disposition Comment:
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